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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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FORM 8-K  
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Current Report Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

April 19, 2005  
Date of Report (Date of Earliest Event Reported)

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Yahoo! Inc.  
(Exact name of Registrant as specified in its charter)  
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Delaware (State or other Jurisdiction of Incorporation)	0-28018 (Commission File No.)	77-0398689 (IRS Employer Identification No.)
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701 First Ave.  
Sunnyvale, California 94089  
(Address of principal executive offices, including zip code)

(408) 349-3300  
(Registrant's telephone number, including area code)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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Item 2.02 Results of Operations and Financial Condition

The information in this Current Report is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

On April 19, 2005, Yahoo! Inc., a Delaware corporation ("Yahoo!") announced its financial results for the first quarter ended March 31, 2005 and certain other information. A copy of Yahoo!'s press release announcing these financial results and certain other information is attached hereto as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits.

The following exhibit is furnished with this report on Form 8-K:

99.1 Yahoo! Inc. press release dated April 19, 2005.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

YAHOO! INC.

By:/s/ Susan Decker

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Susan Decker  
Executive Vice President, Finance and  
Administration, and Chief Financial  
Officer (Principal Financial Officer)

Date: April 19, 2005

YAHOO! INC.

INDEX TO EXHIBITS

Exhibit Number -----	Description -----
99.1	Press Release dated April 19, 2005

Yahoo! Reports First Quarter 2005 Financial Results;  
 Revenues - \$1,174 Million, Operating Income - \$247 Million,  
 Operating Income Before Depreciation and Amortization - \$345 Million

SUNNYVALE, Calif.--(BUSINESS WIRE)--April 19, 2005--Yahoo! Inc. (Nasdaq:YHOO) today reported results for the first quarter ended March 31, 2005.

"Yahoo! entered 2005 on a high note, delivering strong growth and record revenue for the eighth consecutive quarter, further validating the strength of Yahoo!'s business model," said Terry Semel, chairman and chief executive officer, Yahoo!. "We are on the cusp of witnessing a significant increase in engagement of consumers on the Internet and believe we are best positioned to capitalize on the many opportunities to which we are exposed."

#### Consolidated Financial Results

- Revenues were \$1,174 million for the first quarter of 2005, a 55 percent increase compared to \$758 million for the same period of 2004.
- Marketing services revenue was \$1,025 million for the first quarter of 2005, a 54 percent increase compared to \$665 million for the same period of 2004.
- Fees revenue was \$149 million for the first quarter of 2005, a 61 percent increase compared to \$93 million for the same period of 2004.
- Revenues excluding traffic acquisition costs ("TAC") were \$821 million for the first quarter of 2005, a 49 percent increase compared to \$550 million for the same period of 2004.
- Gross profit for the first quarter of 2005 was \$720 million, a 51 percent increase compared to \$476 million for the same period of 2004.
- Operating income for the first quarter of 2005 was \$247 million, an 87 percent increase compared to \$132 million for the same period of 2004.
- Operating income before depreciation and amortization for the first quarter of 2005 was \$345 million, a 64 percent increase compared to \$211 million for the same period of 2004.
- Cash flow from operating activities for the first quarter of 2005 was \$386 million, a 63 percent increase compared to \$236 million for the same period of 2004.
- Free cash flow for the first quarter of 2005 was \$318 million, a 61 percent increase compared to \$197 million for the same period of 2004.
- Net income for the first quarter of 2005 was \$205 million or \$0.14 per diluted share (including net income of \$15 million, or \$0.01 per diluted share, related to the sale of certain investments and settlements). This compares with net income of \$101 million or \$0.07 per diluted share for the same period of 2004.

"In the first quarter, Yahoo! continued to grow its user base and drive deeper engagement, the core user fundamentals that lead to favorable financial returns," said Susan Decker, chief financial officer, Yahoo!. "We continued to increase levels of free cash flow while investing in the business, demonstrating the leverage in our operating model, and driving long-term shareholder value."

#### Segment Financial Results

- United States revenues for the first quarter of 2005 were \$819 million, a 37 percent increase from the \$599 million reported for the same period of 2004.
- International revenues for the first quarter of 2005 were \$355 million, a 124 percent increase from the \$159 million reported for the same period of 2004.
- United States segment operating income before depreciation and amortization for the first quarter of 2005 was \$270 million, a

41 percent increase from the \$191 million reported for the same period of 2004.

- International segment operating income before depreciation and amortization for the first quarter of 2005 was \$75 million, a 280 percent increase from the \$20 million reported for the same period of 2004.

#### Cash Flow Information

Free cash flow of \$318 million in the first quarter of 2005 was the largest contributor to the increase of \$110 million in our cash, cash equivalents and investments in marketable debt securities which grew from \$3,742 million at December 31, 2004 to \$3,852 million at March 31, 2005. In addition, we generated \$90 million from the issuance of common stock as a result of the exercise of employee stock options. These increases were offset by \$165 million used for direct share repurchases, a net \$96 million used in structured stock repurchase transactions, and \$54 million used for acquisitions.

Please refer to the "Note to Unaudited Condensed Consolidated Statements of Operations" for definitions of certain key financial measures used here and in the "Business Outlook" attached to this press release.

#### Quarterly Conference Call

Yahoo! will host a conference call to discuss first quarter results at 5:00 p.m. Eastern Time today. A live Webcast of the conference call, together with supplemental financial information can be accessed through the Company's Investor Relations Web site at <http://yhoo.client.shareholder.com/earnings.cfm>. In addition, an archive of the Webcast can be accessed through the same link. An audio replay of the call will be available following the conference call by calling 877-213-9653 or 630-652-3041, reservation number: 11385612.

#### About Yahoo!

Yahoo! Inc. is a leading global internet brand and one of the most trafficked Internet destinations worldwide. Yahoo! seeks to provide online products and services essential to users' lives, and offers a full range of tools and marketing solutions for businesses to connect with Internet users around the world. Yahoo! is headquartered in Sunnyvale, Calif.

This press release includes the following financial measures defined as non-GAAP financial measures by the Securities and Exchange Commission: revenues excluding traffic acquisition costs, operating income before depreciation and amortization, and free cash flow. These measures may be different from non-GAAP financial measures used by other companies. The presentation of this financial information is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with generally accepted accounting principles. See "Note to Unaudited Condensed Consolidated Statements of Operations" and "Reconciliations to Unaudited Condensed Consolidated Statements of Operations" included in this press release for further information regarding these non-GAAP financial measures.

This press release and its attachments contain forward-looking statements that involve risks and uncertainties concerning Yahoo!'s expected financial performance (as described without limitation in the Business Outlook section and quotations from management in this press release), as well as Yahoo!'s strategic and operational plans. Actual results may differ materially from the results predicted and reported results should not be considered as an indication of future performance. The potential risks and uncertainties include, among others, the Company's ability to compete with new or existing competitors; reduction in spending by, or loss of, marketing services customers; the demand by customers for Yahoo!'s premium services; acceptance by users of new products and services; risks related to the integration of recent acquisitions; risks related to the Company's international operations; failure to manage growth and diversification; adverse results in litigation, including intellectual property infringement claims; the Company's ability to protect its intellectual property and the value of its brands; dependence on key personnel; dependence on third parties for technology, services, content and distribution; and general economic conditions. All information set forth in this release and its attachments is as of April 19, 2005. Yahoo! undertakes no duty to update this information. More information about potential factors that could affect the

Company's business and financial results is included under the captions, "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2004 which is on file with the SEC and available at the SEC's website at [www.sec.gov](http://www.sec.gov). Additional information will also be set forth in those sections in Yahoo!'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2005, which will be filed with the SEC in the second quarter of 2005.

Yahoo! and the Yahoo! logos are trademarks and/or registered trademarks of Yahoo! Inc. All other names are trademarks and/or registered trademarks of their respective owners.

Yahoo! Inc.  
Unaudited Condensed Consolidated Statements of Operations  
(in thousands, except per share amounts)

	Three Months Ended March 31,	
	2004	2005
Revenues	\$ 757,786	\$1,173,742
Cost of revenues	281,705	453,297
Gross profit	476,081	720,445
Operating expenses:		
Sales and marketing	166,295	230,519
Product development	76,989	119,349
General and administrative	57,556	73,545
Stock compensation expense (1)	12,572	9,466
Amortization of intangibles	30,512	40,203
Total operating expenses	343,924	473,082
Income from operations	132,157	247,363
Other income, net	14,378	49,994
Income before income taxes, earnings in equity interests, minority interests	146,535	297,357
Provision for income taxes	(64,709)	(120,435)
Earnings in equity interests	19,868	29,378
Minority interests in operations of consolidated subsidiaries	(482)	(1,740)
Net income	\$ 101,212	\$ 204,560
Net income per share - diluted	\$ 0.07	\$ 0.14
Shares used in per share calculation - diluted	1,426,548	1,477,811

(1) Stock compensation expense is allocated as follows:

Sales and marketing	\$ 3,605	\$ 1,490
Product development	4,723	3,262
General and administrative	4,244	4,714
Total stock compensation expense	\$ 12,572	\$ 9,466

Supplemental Financial Data (See Note)

Revenues excluding traffic acquisition costs ("TAC")	\$ 550,150	\$ 820,755
Operating income before depreciation and amortization	\$ 210,921	\$ 345,062
Free cash flow	\$ 197,286	\$ 317,566
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Yahoo! Inc.

Note to Unaudited Condensed Consolidated Statements of Operations

This press release includes the non-GAAP financial measures of revenues excluding traffic acquisition costs, operating income before depreciation and amortization, and free cash flow, which are reconciled to gross profit, income from operations, and cash flow from operating activities, respectively, which we believe are the most comparable GAAP measures. We use these non-GAAP financial measures for internal managerial purposes, when publicly providing business outlook, and as a means to evaluate period-to-period comparisons. These non-GAAP financial measures are used in addition to and in conjunction with results presented in accordance with GAAP. These non-GAAP financial measures reflect an additional way of viewing aspects of our operations that, when viewed with our GAAP results and the accompanying reconciliations to corresponding GAAP financial measures, provide a more complete understanding of factors and trends affecting our business. These non-GAAP measures should be considered as a supplement to, and not as a substitute for, or superior to, gross profit, income from operations, and cash flow from operating activities calculated in accordance with generally accepted accounting principles.

Revenues excluding traffic acquisition costs or TAC is defined as gross profit plus other cost of revenues. Under GAAP, both our revenues and cost of revenues include TAC. In defining revenues excluding TAC as our non-GAAP gross profit measure, we have removed TAC from both revenues and cost of revenues. TAC consists of payments made to affiliates that have integrated our sponsored search offerings into their websites and payments made to companies that direct consumer and business traffic to the Yahoo! network. We present revenues excluding TAC: (1) to provide a metric for our investors to analyze and value our Company and (2) to provide investors one of the primary metrics used by the Company for evaluation and decision-making purposes. We provide revenues excluding TAC because we believe it is useful to investors in valuing our Company. One of the ways investors value companies is to apply a multiple to revenues. Since a significant portion of the GAAP revenues associated with our sponsored search offerings is paid to our third party affiliates, we believe investors find it more meaningful to apply multiples to revenues excluding TAC to assess our value as this avoids "double counting" revenues that are paid to, and being reported by, our third party affiliates. Further, management uses revenues excluding TAC for evaluating the performance of our business, making operating decisions, for budgeting purposes, and as a factor in determining management compensation. A limitation of revenues excluding TAC is that it is a measure which we have defined for internal and investor purposes that may be unique to the Company and therefore it may not enhance the comparability of our results to other companies in our industry who have similar business arrangements but address the impact of TAC differently.

Operating income before depreciation and amortization is defined as income from operations before depreciation, amortization of intangible assets and amortization of stock compensation expense. We consider operating income before depreciation and amortization to be an important indicator of the operational strength of the Company. This measure eliminates the effects of depreciation, amortization of intangible assets and amortization of stock compensation expense from period to period, which we believe is useful to management and investors in evaluating the operating performance of the Company, as depreciation and amortization costs are not directly attributable to the underlying performance of the Company's business operations. A limitation associated with this measure is that it does not reflect the periodic costs of certain capitalized tangible and intangible assets used in generating revenues in the Company's businesses. Management evaluates the costs of such tangible and intangible assets through other financial measures such as capital expenditures. A further limitation associated with this measure is that it does not

include stock compensation expenses related to our workforce. Management compensates for this limitation by providing supplemental information about stock compensation expense on the face of the consolidated statements of operations.

Free cash flow is defined as cash flow from operating activities less net capital expenditures. We consider free cash flow to be a liquidity measure which provides useful information to management and investors about the amount of cash generated by the business after the acquisition of property and equipment, which can then be used for strategic opportunities including, among others, investing in the Company's business, making strategic acquisitions, strengthening the balance sheet and repurchasing stock. A limitation of free cash flow is that it does not represent the total increase or decrease in the cash balance for the period.

Yahoo! Inc.  
Reconciliations to Unaudited Condensed Consolidated  
Statements of Operations  
(in thousands)

	Three Months Ended March 31,	
	2004	2005
Revenues for groups of similar services (2):		
Marketing services	\$ 665,046	\$1,024,796
Fees	92,740	148,946
	\$ 757,786	\$1,173,742
	=====	=====
Revenues by segment:		
United States	\$ 599,271	\$ 818,726
International	158,515	355,016
	\$ 757,786	\$1,173,742
	=====	=====
Cost of revenues:		
Traffic acquisition costs ("TAC")	\$ 207,636	\$ 352,987
Other cost of revenues	74,069	100,310
	\$ 281,705	\$ 453,297
	=====	=====
Revenues excluding TAC:		
Gross profit	\$ 476,081	\$ 720,445
Other cost of revenues	74,069	100,310
	\$ 550,150	\$ 820,755
	=====	=====
Revenues excluding TAC by segment:		
United States:		
Gross profit	\$ 389,108	\$ 540,089
Other cost of revenues	62,617	78,803
	\$ 451,725	\$ 618,892
	=====	=====
International:		
Gross profit	\$ 86,973	\$ 180,356
Other cost of revenues	11,452	21,507
	\$ 98,425	\$ 201,863
	=====	=====
Operating income before depreciation and amortization:		
Income from operations	\$ 132,157	\$ 247,363
Depreciation and amortization	66,192	88,233
Stock compensation expense	12,572	9,466
	\$ 210,921	\$ 345,062
	=====	=====

Operating income before depreciation and



amortization by segment:		
Operating income before depreciation and amortization - United States	\$ 191,254	\$ 270,415
Operating income before depreciation and amortization - International	19,667	74,647
	-----	-----
Operating income before depreciation and amortization	210,921	345,062
	=====	=====
United States:		
Income from operations	\$ 121,289	\$ 190,018
Depreciation and amortization	59,300	71,603
Stock compensation expense	10,665	8,794
	-----	-----
Operating income before depreciation and amortization - United States	\$ 191,254	\$ 270,415
	=====	=====
International:		
Income from operations	\$ 10,868	\$ 57,345
Depreciation and amortization	6,892	16,630
Stock compensation expense	1,907	672
	-----	-----
Operating income before depreciation and amortization - International	\$ 19,667	\$ 74,647
	=====	=====
Free cash flow:		
Cash flow from operating activities	\$ 235,975	\$ 385,715
Acquisition of property and equipment, net	(38,689)	(68,149)
	-----	-----
Free cash flow	\$ 197,286	\$ 317,566
	=====	=====

(2) Yahoo! currently classifies its revenues as either Marketing Services or Fees. For the quarter ended March 31, 2004, Yahoo! reclassified previously reported Marketing Services revenues of \$4 million as Fees in order to refine its alignment of revenue sources with these classifications.

Yahoo! Inc.  
Business Outlook

Business Outlook

The following business outlook is based on current information and expectations as of April 19, 2005. Yahoo!'s business outlook as of today is expected to be available on the Company's Investor Relations Web site throughout the current quarter. It is currently expected the outlook will not be updated until the release of Yahoo!'s next quarterly earnings announcement, notwithstanding subsequent developments; however, Yahoo! may update the outlook or any portion thereof at any time.

	Three months ending June 30, 2005	Year ending December 31, 2005
	-----	-----
Revenues excluding traffic acquisition costs (3) ("TAC") outlook (in millions):		
Gross Profit	\$748-\$778	\$3,120-\$3,235
Other cost of revenues	107-117	445-480
	-----	-----
Revenues excluding TAC	\$855-\$895	\$3,565-\$3,715
	=====	=====
Operating income before depreciation and amortization (3) outlook (in millions):		
Income from operations	\$238-\$249	\$1,075-\$1,120
Depreciation and amortization	92-98	385-405
Stock compensation expense	10-13	40-50
	-----	-----
Operating income before depreciation and amortization	\$340-\$360	\$1,500-\$1,575
	=====	=====

(3) Refer to Note to Unaudited Condensed Consolidated Statements of Operations.

Yahoo! Inc.  
Unaudited Condensed Consolidated Statements of Cash Flows  
(in thousands)

	Three Months Ended March 31,	
	2004	2005
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 101,212	\$ 204,560
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	66,192	88,233
Tax benefits from stock options	60,750	107,527
Earnings in equity interests	(19,868)	(29,378)
Minority interests in operations of consolidated subsidiaries	482	1,740
Stock compensation expense	12,572	9,466
(Gain)/loss from sale of investments, assets and other, net	(1,273)	(14,268)
Changes in assets and liabilities, net of effects of acquisitions:		
Accounts receivable, net	1,189	(30,417)
Prepaid expenses and other	(4,410)	19,108
Accounts payable	(17,909)	(24,626)
Accrued expenses and other liabilities	32,303	45,219
Deferred revenue	4,735	8,551
	235,975	385,715
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Acquisition of property and equipment, net	(38,689)	(68,149)
Purchases of marketable debt securities	(911,515)	(1,636,760)
Proceeds from sales and maturities of marketable debt securities	917,032	1,777,385
Acquisitions, net of cash acquired	(43,767)	(53,970)
Proceeds from sales of marketable equity securities	1,351	11,382
Other investing activities, net	9,560	11,318
	(66,028)	41,206
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from issuance of common stock, net	92,295	90,304
Repurchase of common stock	-	(164,895)
Structured stock repurchase, net	(50,000)	(96,202)
Other financing activities, net	-	800
	42,295	(169,993)
Effect of exchange rate changes on cash and cash equivalents	3,040	10,259
Net change in cash and cash equivalents	215,282	267,187
Cash and cash equivalents, beginning of period	415,892	823,723
	\$ 631,174	\$ 1,090,910
	=====	=====
<b>Supplemental schedule of investing activities:</b>		
Cash paid for acquisitions	\$ 50,684	\$ 53,997
Cash acquired in acquisitions	(6,917)	(27)
	\$ 43,767	\$ 53,970
	=====	=====

Common stock, restricted stock and stock  
options issued in connection with  
acquisitions

\$ 2,209 \$ 37,766  
=====

Yahoo! Inc.  
Unaudited Condensed Consolidated Balance Sheets  
(in thousands)

	December 31, 2004	March 31, 2005
	-----	-----
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 823,723	\$1,090,910
Marketable debt securities	1,875,964	1,490,066
Marketable equity securities	812,288	751,291
Accounts receivable, net	479,993	514,497
Prepaid expenses and other current assets	98,507	76,808
	-----	-----
Total current assets	4,090,475	3,923,572
Long-term marketable debt securities	1,042,575	1,270,832
Property and equipment, net	531,696	552,959
Goodwill	2,550,957	2,540,309
Intangible assets, net	480,666	534,893
Other assets	481,832	482,400
	-----	-----
Total assets	\$9,178,201	\$9,304,965
	=====	=====
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 48,205	\$ 25,870
Accrued expenses and other current liabilities	853,115	876,696
Deferred revenue	279,387	289,709
	-----	-----
Total current liabilities	1,180,707	1,192,275
Long-term deferred revenue	65,875	65,196
Long-term debt	750,000	750,000
Other long-term liabilities	35,907	38,467
Minority interests in consolidated subsidiaries	44,266	46,849
Stockholders' equity	7,101,446	7,212,178
	-----	-----
Total liabilities and stockholders' equity	\$9,178,201	\$9,304,965
	=====	=====

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